

## NOTICE OF AMENDMENT

May 12, 2000

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Lion Oil Company  
Attn: Mr. Steve Cousins  
Vice President, Refining  
1000 McHenry  
El Dorado, AR 71730

CPF No. 220006001M

Dear Mr. Cousins:

During an inspection of Lion Oil Company's (Lion's) facilities and records between November 29 and December 2, 1999, a representative of the Southern Region of the Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, reviewed your operating and maintenance procedures at your El Dorado, AR office.

As a result of the procedures review, the requirements for which are set forth in Section 195.402(c), the following inadequate procedures were noted.

#### **§195.402 Procedural Manual . . .**

**(e) Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;**

**(1) Receiving, identifying, and classifying notices of events which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action.**

**!** In that Lion's emergency procedures do not list who in Lion's workforce is a "Qualified Individual" or an "Alternate Qualified Individual." The procedures convey that these individuals are critical in responding to and reporting accidents.

**(6) Minimization of public exposure to injury and probability of accidental ignition by assisting with evacuation of residents and assisting with halting traffic on roads and railroads in the affected area, or taking other appropriate action.**

**!** In that Lion's procedures do not require assisting with halting traffic on roads and railroads in the affected area, to minimize public exposure to injury and probability of accidental ignition during an emergency.

#### **§195.404 Maps and Records . . .**

**(b) Each operator shall maintain for at least 3 years daily operating records that indicate . . .**

**(2) Any emergency or abnormal operation to which the procedures under §195.402 apply.**

**!** In that Lion's procedures do not require maintenance of operating records during emergency operations.

#### **§195.406 Maximum operating pressure**

**(a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:**

**(1) The internal design pressure of the pipe determined in accordance with §195.106. However, for steel pipe in pipelines being converted under §195.5, if one or more factors of the design formula (§195.106) are unknown, one of the following pressures is to be used as design pressure:**

**(i) Eighty percent of the first test pressure that produces yield under section N5.0 of Appendix N of ASME B31.8, reduced by the appropriate factors in §§195.106(a) and (e); or**

**(ii) If the pipe is 323.8 mm (12¾ in) or less outside diameter and is not tested to yield under this paragraph, 1379 kPa (200 psig).**

**(2) The design pressure of any other component of the pipeline.**

**(3) Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under Subpart E of this part.**

**(4) Eighty percent of the factory test pressure or of the prototype test pressure for any individually installed component which is excepted from testing under §195.305.**

**(5) For pipelines under §§195.302(b)(1) and (b)(2)(i), that have not been pressure tested under Subpart E of this part, 80 percent of the test pressure or highest operating pressure to which the pipeline was subjected for 4 or more continuous hours that can be demonstrated by recording charts or logs made at the time the test or operations were conducted . . . .**

! In that Lion's procedures do not convey how facility MOP's are determined.

**§195.416 External corrosion control . . .**

**(f) Any pipe that is found to be generally corroded so that the remaining wall thickness is less than the minimum thickness required by the pipe specification tolerances must either be replaced with coated pipe that meets the requirements of this part or, if the area is small, must be repaired. However, the operator need not replace generally corroded pipe if the operating pressure is reduced to be commensurate with the limits on operating pressure specified in this subpart, based on the actual remaining wall thickness.**

! In that Lion's cathodic protection procedures do not require pipe to be either replaced with coated pipe, repaired, or the operating pressure reduced to be commensurate with the actual remaining wall thickness for pipe that is found to be generally corroded and the remaining wall thickness has been determined to be not commensurate with the operating pressure.

**(g) If localized corrosion pitting is found to exist to a degree where leakage might result, the pipe must be replaced or repaired, or the operating pressure must be reduced commensurate with the strength of the pipe based on the actual remaining wall thickness in the pits.**

! In that Lion's cathodic protection procedures qualify the requirements of §195.416(g) with the phrase "If during a general inspection of the pipeline system." §195.416(g) does not have such a qualifier. Also, this procedure conveys that the available remaining pipe thickness in the pitted area will be determined in accordance with §195.416(g), instead of referencing Lion's previously stated procedure for determining the strength of the pipe based on remaining wall thickness (use of B31.G).

**(i) Each operator shall clean, coat with material suitable for the prevention of atmospheric corrosion, and, maintain this protection for, each component in its pipeline that is exposed to the atmosphere.**

! In that Lion's procedures do not require pipeline components that are exposed to the atmosphere to be cleaned, coated, and maintained for the prevention of atmospheric corrosion.

**(j) For aboveground breakout tanks where corrosion of the tank bottom is controlled by a cathodic protection system, the cathodic protection system must be inspected to ensure it is operated and maintained in accordance with API Recommended Practice 651, unless the operator notes in the procedure manual (Sec. 195.402(c)) why compliance with all or certain provisions of API Recommended Practice 651 is not necessary for the safety of a particular breakout tank.**

- ! In that Lion's procedures do not require that the cathodic protection systems be inspected to ensure that it is operated and maintained in accordance with API RP 651, for cathodically protected breakout tank bottoms.

**§195.418 Internal corrosion control . . .**

**(d) Whenever any pipe is removed from the pipeline for any reason, the operator must inspect the internal surface for evidence of corrosion. If the pipe is generally corroded such that the remaining wall thickness is less than the minimum thickness required by the pipe specification tolerances, the operator shall investigate adjacent pipe to determine the extent of the corrosion. The corroded pipe must be replaced with pipe that meets the requirements of this part or, based on the actual remaining wall thickness, the operating pressure must be reduced to be commensurate with the limits on operating pressure specified in this subpart.**

- ! In that Lion's procedures do not require the investigation of adjacent pipe to determine the extent of the corrosion when pipe is found to be generally internally corroded such that the remaining wall thickness is less than the minimum thickness required by the pipe specification tolerances.

**§195.426 Scraper and sphere facilities.**

**No operator may use a launcher or receiver that is not equipped with a relief device capable of safely relieving pressure in the barrel before insertion or removal of scrapers or spheres. The operator must use a suitable device to indicate that pressure has been relieved in the barrel or must provide a means to prevent insertion or removal of scrapers or spheres if pressure has not been relieved in the barrel.**

- ! In that Lion's procedures do not address how field personnel use launchers or receivers to indicate that pressure has been relieved in the barrel, before inserting or removing scrapers or spheres.

**§195.440 Public education.**

**Each operator shall establish a continuing educational program to enable the public, appropriate government organizations and persons engaged in excavation-related activities to recognize a hazardous liquid or a carbon dioxide pipeline emergency and to report it to the operator or the fire, police, or other appropriate public officials. The program must be conducted in English and in other languages commonly understood by a significant number and concentration of non-English speaking population in the operator's operating areas.**

- ! In that Lion's public education program does not sufficiently cover education of the public

in your operating area. Lion uses *Petroleum Pipelines in Your Community* flyers to communicate the public education message required of §194.440 to the general public in the area of the pipeline. Although the flyers are handed out to local residents along the pipeline on an “ad hoc” basis, the program does not require distribution of the educational material to the public in Lion’s operating area. Lion is in the process of completing an address list of the public in the area of the pipeline.

**§195.442 Damage Prevention Program . . .**

**(c) The damage prevention program required by paragraph (a) of this section must, at a minimum. . .**

**(6) Provide as follows for inspection of pipelines that an operator has reason to believe could be damaged by excavation activities:**

**(i) The inspection must be done as frequently as necessary during and after the activities to verify the integrity of the pipeline . . .**

**!** In that Lion’s procedures do not require inspections of pipelines that Lion has reason to believe could be damaged by excavation activities.

As provided in Title 49, CFR §190.237, this notice serves as your notification that this office considers your procedures/plans inadequate. Under §190.237, you have the right to submit written comments or request an informal hearing. You must submit written comments or a request for a hearing within 30 days after receipt of this notice. After reviewing the record, the Associate Administrator for Pipeline Safety will determine whether your plans are adequate. The criteria used in making this determination are outlined in §190.237. If you do not wish to contest this notice, please provide your revised procedures within 45 days of receipt of this notice (see enclosure to this notice).

Should you have any questions regarding this notice of amendment please make reference to CPF **220006001M**.

Sincerely,

Frederick A. Joyner  
Director, Southern Region  
Office of Pipeline Safety

cc: Compliance Registry, OPS Headquarters

## **Notice of Amendment**

You are to amend your procedures or otherwise address your procedures, as required by §195.402, as follows:

1. Revise your written emergency procedures to identify the employees who are “Qualified Individuals” or “Alternate Qualified Individuals.”
2. Revise your written emergency procedures to require assisting with halting traffic on roads and railroads in the affected area or taking other appropriate actions to minimize public exposure to injury and probability of accidental ignition during an emergency.
3. Revise your written procedures to require maintenance of operating records during emergency operations.
4. Revise your procedures to convey how facility MOP is determined.
5. Revise your cathodic protection procedures to require pipe to be either replaced with coated pipe, repaired, or the operating pressure reduced to be commensurate with the actual remaining wall thickness for pipe that is found to be generally corroded and the remaining wall thickness has been determined to be not commensurate with the operating pressure.
6. Revise your cathodic protection procedures to convey that the required actions of §195.416(g) must be taken anytime “local corrosion pitting is found to exist to a degree . . . ,” and not only during a general inspection of the pipeline system; and to convey that Lion’s previously stated procedure for determining the strength of the pipe based on remaining wall thickness will be used ( B31.G), instead of referencing §195.416(g).
7. Revise your cathodic protection procedures to require pipeline components that are exposed to the atmosphere to be cleaned, coated, and maintained for the prevention of atmospheric corrosion.
8. Revise your cathodic protection procedures to require cathodic protection systems that control breakout tank bottom corrosion to be inspected to ensure that the system is operated and maintained in accordance with API RP 651, or note in your procedures why compliance with the referenced recommended practice is not necessary.
9. Revise your cathodic protection procedures to require the investigation of adjacent pipe to determine the extent of the corrosion when pipe is found to be generally internally corroded such that the remaining wall thickness is less than the minimum thickness required by the pipe specification tolerances.

10. Revise your procedures to address how field personnel use launchers or receivers to indicate that pressure has been relieved in the barrel, before inserting or removing scrapers or spheres.

11. Provide in your written public education program a written action plan to enable the public in your operating area to recognize a hazardous liquid pipeline emergency and report it to the operator or the fire, police, or other appropriate public officials. The action plan should define the target audience in your operating area (including the public located within a defined geographic area or distance from your pipeline), the educational information, the method(s) by which the information is to reach the target audience, the frequency of information distribution, and a timetable to assure that the public in Lion's operating area has been covered, within 2 months of the issuance of this Notice of Amendment.

12. Revise your procedures to require inspections of pipelines that Lion has reason to believe could be damaged by excavation activities, and to perform the inspections as frequently as necessary during and after the activities to verify the integrity of the pipe.